



# PSNC response to APPG for pharmacy inquiry: The future of pharmacy in the wake of Covid

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## About PSNC

The Pharmaceutical Services Negotiating Committee (PSNC) represents all 11,200 NHS community pharmacies in England. We are recognised by the Secretary of State for Health and Social Care as the body that represents NHS pharmacy contractors (owners). Our goal is to develop the NHS community pharmacy service, and to enable community pharmacies to offer an increased range of high quality and fully funded services; services that meet the needs of local communities, provide good value for the NHS and deliver excellent health outcomes for patients.

## Introduction and Context

In 2019, a five-year plan for the Community Pharmacy Contractual Framework ([CPCF](#)) was agreed between PSNC, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement (NHSE&I). The CPCF sets out how much funding the community pharmacy sector can expect to receive from the Government in return for carrying out their key functions.

The five-year deal was ambitious, setting out a range of clinical services which pharmacies would implement by 2023/24. Funding for this would remain flat, on the basis that help would be given to pharmacies to make efficiency savings to increase their capacity to provide additional clinical services.

Since the agreement of the deal the COVID-19 pandemic has placed significant additional pressures on pharmacies, and little progress has been made by Government on changes to the regulatory environment to release capacity within the sector. The result of these combined factors, and other pressures such as on the availability of trained staff, is that pharmacies are facing unsustainable pressures – both operational and financial. PSNC has been arguing strongly for an uplift in funding to take into account the pressures that the, already underfunded, sector is experiencing. Unfortunately, the Government has rejected this bid.

Community pharmacies have made an enormous contribution to patients, local communities and to wider society during the COVID-19 pandemic, with millions of patients turning to them when they could not access other parts of the health service. Despite the pressures on them, they have also leapt at the chance to deliver new public health services – including vaccinations and NHS Test and Trace services – which have been critical to the nation’s recovery from the pandemic. Our asks are that HM Government and the NHS recognise this vital contribution, and work with us to provide the support – both financial, and capacity releasing – that community pharmacies need to do even more to support patients, the public, the NHS and the Government’s levelling up agenda.

## Making the most of pharmacy in primary care

Community pharmacies are increasingly becoming the first port of call for people needing healthcare advice. Contractor reports tell us that the number of walk-in (and telephone) requests increased significantly during the COVID pandemic when GPs and other health providers were less accessible. They

also tell us that these changed significantly in nature, i.e. they have started to see many more serious, ‘GP displacement’ cases.

PSNC carried out an audit in January 2021 to quantify the pressures pharmacies are under as a direct result of providing informal patient consultations, often on a walk-in basis. We found that pharmacies were undertaking some 58 million informal consultations per year, none of which have specific funding attached to them. An additional 70,000 people per week would go to A&E or NHS walk in centres if they could not get appropriate healthcare advice from their pharmacist. If community pharmacy had not been there, this could also lead to the need for an additional 74 additional GP appointments in every practice each week.

The Secretary of State for Health and Social Care, Sajid Javid MP, recently indicated his desire for pharmacists to do more in treating minor ailments. PSNC supports this ambition: pharmacy teams are already doing huge amounts to reduce pressure on GP practices, and we know with the right support in place they could do even more.

We particularly welcome the Secretary of State’s intervention to further incentivise GPs to use the Community Pharmacist Consultation Service (CPCS) – this allows GP practices to refer people with minor conditions for a consultation in a pharmacy, and it should go further in helping to reduce pressure on GPs, and ensuring that patients are seen in the most convenient and appropriate settings. Wider use of CPCS could also save the NHS hundreds of millions of pounds a year. We estimate that the cost to provide 40m minor ailments GP appointments per year is £1.2bn, but the cost to transfer these to pharmacies as CPCS minor ailments consultations would only be £560m, resulting in a 53% cost reduction.

Whilst the CPCS is an important service, it has limitations. We hear anecdotally from GPs that the service in its current form is bureaucratic for them and takes up significant admin resource. Better, we believe, for GPs to be able to informally refer patients to a pharmacy, or for patients to be able to walk straight into a pharmacy, to receive the service. Pharmacy teams would also welcome this, as long as appropriate funding was in place to support the work, and that digital links back to the GP practice were retained. We must ensure that pharmacy teams have the appropriate access to view and add to patients’ general practice clinical records. The system needs to become more streamlined to allow patients to choose which parts of the healthcare system they would like to have access to their health records, including pharmacies.

The cost of providing high quality healthcare advice in pharmacies is not insignificant. Our advice audit showed that the average time taken for a walk-in consultation requiring involvement of the pharmacist was approximately 6 minutes. Yet if patients have walked in rather than being referred into the CPCS, pharmacy teams currently receive no specific funding for this. Although the CPCS does include some funding to cover supporting self-care, we believe the volume of walk-in consultations, and the complexity of many of the cases now presenting to pharmacists, far exceed what this funding was envisaged to cover. This is neither fair nor sustainable.

To ensure the sector is sustainably funded in the future, it is crucial we ensure that these walk-in and phone-in consultations provided by pharmacies are funded, and that we plan for projected increases in demand.

We need to work to increase capacity today so that pharmacies can continue to provide every patient with the high-quality care they need.

### Challenges and blocks, including workforce

One of the most pressing challenges the community pharmacy sector faces is the growing workforce crisis. Businesses are already struggling to recruit, and we see huge workforce pressures on the horizon in the medium-term. There are a number of reasons for this, among them:

- Reduction in the number of students training to be a pharmacist;
- Workforce issues related to Brexit and the COVID pandemic impacting on the life choices and working patterns of pharmacists, including those originally trained in EU countries;
- Pharmacists working elsewhere in primary care, rather than in the community pharmacy sector; and
- Increasing competition for pharmacy support staff from other potential employers, as overall vacancies within the jobs market increase.

To avoid service disruption, pharmacies are turning to locum pharmacists to fill the vacancies, but the rising demand is increasing locum costs with costs estimated at 40% higher than at the start of the current five-year CPCF.

As well as this, pharmacies are under significant financial and operational pressures.

Pharmacies are currently making massive efficiency savings in order to keep delivering the services set out in the CPCF. The increase in demand for clinical services, the shrinking funding envelope, and general economic inflationary pressures all together mean that we estimate an efficiency demand of at least 37% will have been required by the pharmacy sector from the implementation of funding cuts in 2015/16 until year 4 (2022/23) of the current five-year CPCF.

To add to this, staff costs have grown massively since 2015/16. Assuming staff costs were 53% of business costs in 2015/16 (i.e. assuming no further growth from the 2010 figure indicated by the most recent HMG commissioned Community Pharmacy Cost of Service Inquiry), then our estimate puts staff costs at 84% of the current available funding envelope by year 4 (2022/23) of the current five-year CPCF. The recently announced increase in the National Minimum Wage will further contribute to the cost pressures for contractors.

And of course, unlike other businesses, pharmacies are not able to pass their costs on to their consumers, and nor can they find other purchasers – some 90% or more of their income comes from NHS funding, with the NHS being a monopsony purchaser which consistently declines to link pharmacy rewards to the value they deliver, and pursues services funded at minimum delivery cost, not recognising the growing overheads that pharmacies are facing (and which must be covered, if they are to stay open and be able to deliver those services in the first place).

In short, pharmacy finances in their current form, combined with the increasing demands being made of the sector, are unsustainable.

### **Patient safety**

The process of dispensing prescriptions is, and always will be, a central operation of a pharmacy. The importance of carrying out this process safely cannot be overstated. Much work, resource, time, and expertise go into ensuring every prescription dispensed is accurate and safe for the patient. Pharmacies act as a safety check for the prescriber, with pharmacists executing their professional skills and judgment to validate each prescription and ensure patients get the right medicines, in the amounts they require, when they need them. Pharmacies also expertly source medicines, saving the NHS drugs budget billions of pounds over the years, and pharmacists provide advice to help patients to use their medicines correctly, ensuring they get the most benefit from them and maximising good patient outcomes.

The unique role of the pharmacy in the community means it also acts, in many cases, as the most frequent point of contact with healthcare that some vulnerable people have. Pharmacies are on the front line in their communities, helping very vulnerable groups access the medicines and services they need. The walk-in, highly accessible nature of the pharmacy plays a crucial role in continued engagement of these groups, thus contributing to increased patient safety and reduced health inequalities. Pharmacy teams also often report providing social support for lonely people, and the recently launched Ask for Ani initiative has seen many pharmacies acting as safe places for people needing to escape abuse.

### **Supporting prevention of ill health and healthier communities**

Pharmacies have greatly expanded their services offering over the last 10 years, and it is likely this will continue in the future. All pharmacies are now required to be Healthy Living Pharmacies, supporting the NHS Long Term Plan's aims for the public health and prevention agenda.

We recently reported<sup>1</sup> that pharmacies this season delivered over 3 million flu vaccinations in just 8 weeks, which is more than the total number administered during the entire flu season last year. This is in line with recent trends which show pharmacies have been administering an increasing number of vaccinations, as the public opt for the easy access they provide, compared to other venues. Pharmacies have also administered close to 12 million COVID vaccinations, which is a significant proportion of the overall number across all Primary Care Network, hospitals and other vaccination centres. It seems this trajectory is set to continue over the coming years, which would make sense from a patient choice and access perspective, but also from the perspective of wider societal benefit.

Pharmacies, in our view, could do significantly more to support vaccination efforts, with the right incentives and support in place. This would be cost-effective, an efficient and accessible service for patients, and it would free up other parts of the NHS, particularly GP practices, to focus their efforts on other priorities.

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<sup>1</sup> [Pharmacies deliver record number of flu jabs: PSNC Main site](#)

## Future clinical services, including supporting patients with long-term conditions

There are many options to further develop pharmacy’s service offering, contributing to the following aims: reducing demand on GPs and urgent care, reducing future healthcare demand, building primary care capacity, optimising use of medicines and reducing harm. The table<sup>2</sup> below summaries some potential service development options that pharmacies could offer in the future.

<p><b>Supporting self-care and urgent care</b> (Reducing demand on GPs and urgent care)</p> <ul style="list-style-type: none"> <li>• A ‘walk-in’ option for the Community Pharmacist Consultation Service (CPCS)</li> <li>• Enhance the CPCS by provision of some medicines using Patient Group Directions (PGD) or independent prescribing (including antimicrobial stewardship supported by POCT, e.g., for urinary tract infections)</li> <li>• A nationally commissioned Emergency Hormonal Contraception (EHC) service and supply of regular contraception</li> <li>• Pilot the management of minor injuries (building on proof-of-concept work already undertaken)</li> </ul>	<p><b>Promoting health and wellbeing (prevention)</b> (Reducing future healthcare demand)</p> <ul style="list-style-type: none"> <li>• A nationally commissioned stop smoking service</li> <li>• National commissioning of NHS Health Checks with more follow up of patients and a personalised wellbeing plan</li> <li>• Atrial fibrillation case-finding service to complement the work of GPs and Primary Care Networks on CVD</li> <li>• COPD case-finding service</li> <li>• Additional vaccinations beyond adult flu, e.g., C-19 boosters (if required on an ongoing basis) travel vaccines, shingles, pneumococcal, children’s flu vaccination mop-up service</li> </ul>
<p><b>Long term care (LTC) support and management</b> (Building primary care capacity)</p> <ul style="list-style-type: none"> <li>• Inhaler technique service</li> <li>• Care Plan Service</li> <li>• Annual dose form/device check, synchronisation of prescriptions and adherence review</li> <li>• Structured Medication Reviews</li> <li>• Pilot a Hypertension management service (using independent prescribing) as a forerunner for other LTC management by pharmacist independent prescribers</li> <li>• Pilot provision of annual asthma reviews (building on proof-of-concept work already undertaken in Leicester)</li> </ul>	<p><b>Improving patient safety and cost effectiveness</b> (Optimising use of medicines and reducing harm)</p> <ul style="list-style-type: none"> <li>• Tackling polypharmacy and identifying potential gaps in prescribing</li> <li>• Querying prescribing of medicines of low clinical value and specific medicines</li> <li>• Enhanced safety interventions during dispensing (building on work within the Pharmacy Quality Scheme)</li> <li>• Increased use of electronic Repeat Dispensing and provision of more support for LTC patients, e.g., PSNC’s Care Plan Service and Care Package proposals</li> </ul>

## Lessons learned

The COVID-19 pandemic has shown the public, policymakers and the NHS just how valuable the network of community pharmacies is. Pharmacies’ doors remained open for the duration of the pandemic when other parts of the NHS became harder to access. Pharmacies also contributed significantly to the vaccination efforts, delivering over 12 million COVID vaccinations and also a great many flu vaccinations.

As well as this, 97% of pharmacies distributed a total of almost 12 million COVID-19 lateral flow devices to the public in just 6 months. They also provided a delivery service to ensure those vulnerable or self-isolating patients could receive the prescribed medicines they required. These services were all funded from outside

<sup>2</sup> [The Community Pharmacy Care Proposals: PSNC Main site](#)

of pharmacy's core funding, at appropriate rates, and the sector's willingness to embrace them and success in delivering them shows just how much the sector can achieve when it has the right support and incentives to do so.

## Conclusions and recommendations

In summary, PSNC wants to ensure that the community pharmacy sector has an ambitious, yet realistic vision for its future. We have outlined several ways in which pharmacies can do more to support public health, prevention and the Government's levelling up agenda. And we believe that with the right investment and support, to address significant capacity and funding issues, community pharmacy could be positioned to maximise the benefit to both patients, in terms of improved outcomes, and wider society, in terms of lower long-term NHS healthcare costs.

It is very unfortunate that more generally pharmacies are struggling with chronic underfunding, and without intervention we expect the current trajectory of closures to continue (see Appendix 2). We believe that pharmacies offer significant value and act as vital safety net for the NHS, and we urge Government to provide pharmacies with the funding they need to continue to provide the high-quality services they did during the pandemic.

Pharmacies have proven time and time again the significant value that they offer: we must now make even better use of this precious resource at the heart of every community.

We make the following recommendations:

- HM Government and the NHS should work with PSNC to provide fair funding for all the services that community pharmacies currently offer.
- There should be provision of additional funding to pharmacies to support the expanding walk-in and telephone advice they are giving, and removal of the need for patients to be formally referred into the CPCS.
- HM Government and the NHS work with the sector to develop a plan to tackle the short-term and longer-term pharmacy workforce issues.



## APPENDIX 1 – Pharmacy advice audit results (January 2021)

In total, 114,898 patient consultations were recorded by the 5,830 community pharmacies, indicating that the average pharmacy carries out around 17 consultations per day or more than 100 per week; this excludes advice given following the dispensing of a prescription or via formal referrals from the NHS CPCS. This means that more than 1.1 million informal consultations are taking place in community pharmacies in England every week, totalling more than 58 million consultations per year. The average staff time per consultation was just over five minutes, and this sometimes included both non-pharmacists and pharmacists.

During the audit, 8.6% of people seeking advice from a pharmacy said they had been unable to access another part of the healthcare system: that is 96,000 people per week, or five million per year. A further 9% and 2.4% of consultations were the product of informal referrals from General Practice and NHS 111. During the audit, 97% of consultations resulted in advice being given by the pharmacy team. The pharmacy provided advice alongside the sale of a medicine in 54% of consultations and advice alone in 43% of consultations. The audit indicates that every week pharmacies provide advice to over 730,000 people seeking advice for symptoms – nearly 38 million people per year. In addition to this, every week pharmacies provide advice to over 263,000 people seeking advice about an existing medical condition – 13.6 million people per year.

Almost a quarter (24%) of the pharmacy consultations also included advice and support related to COVID-19 and these consultations took on average 20% longer than a non-COVID-19 consultation. That means 270,000 patients every week were seeking pharmacy advice on COVID-19 – that is 14 million per year. Almost half of patients reported that if attending their local pharmacy had not been a viable option, they would have visited their GP. This means that pharmacies giving advice saves more than 2 million GP appointments every month, or 24 million every year: that equates to 74 appointments for every single GP practice every week across the country. An additional 70,000 people would go to A&E or an NHS walk-in centre every week if they could not get advice from their pharmacy, which equates to 3.3 million people per year.

During this audit, 61% of pharmacies reported being under intense pressure – the average score out of 10 for pharmacy pressure reported was 7.66.

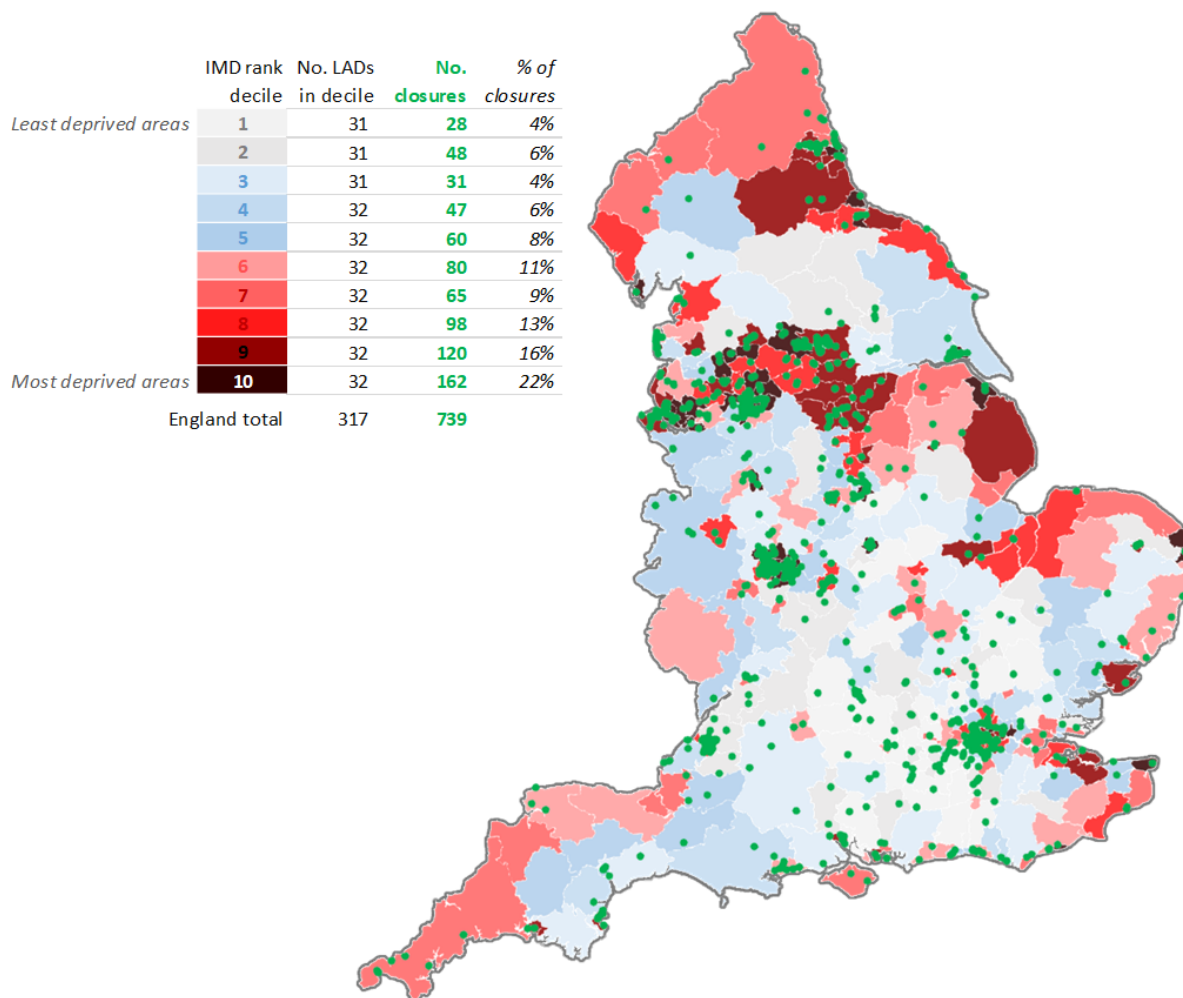
The full report can be found at: <https://psnc.org.uk/contract-it/essential-service-clinical-governance/clinical-audit/psnc-pharmacy-advice-audit/>



## APPENDIX 2 - Closures update

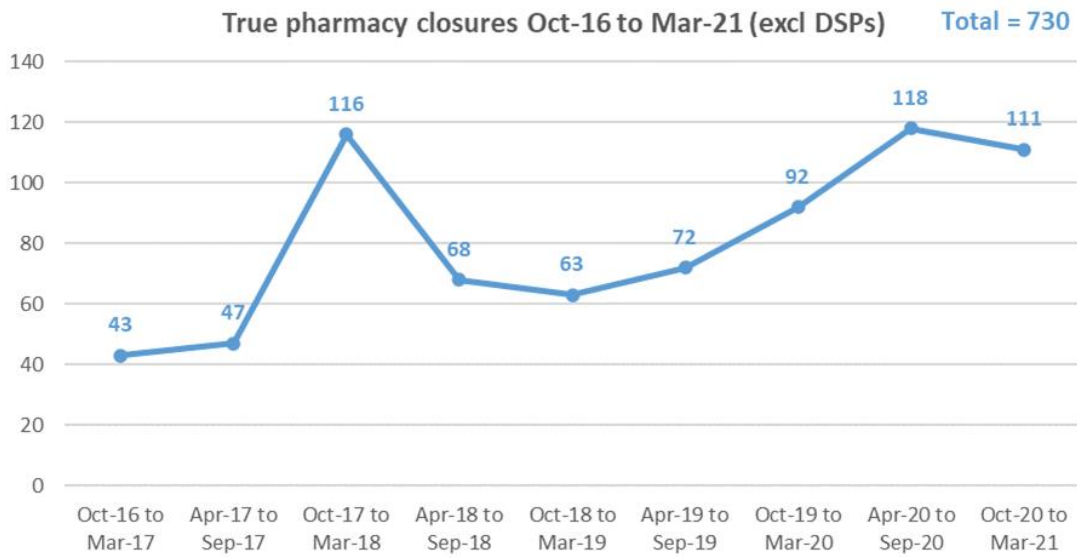
We are concerned about the potential for funding and other pressures to force pharmacies to close and have been monitoring and analysing closures for some time. Figure 1 shows pharmacy closures mapped against deprivation scales. This clearly shows a correlation between pharmacy closures and deprivation with many of the over 700 closures concentrated in more deprived communities. Figure 2 shows estimated true pharmacy closures (i.e. excluding sales of pharmacy businesses resulting in closure and re-opening) over the period October 2016 - March 2021. The graph shows pharmacy closures at peak levels across 2020 and 2021 with 111 pharmacies closing during the period October 2020 to March 2021. Our analysis shows that around 40% of closures were not pharmacies within clusters (i.e. there were no other pharmacies within 800m/10 minutes walking distance).

**England pharmacy closures from Oct-16 to May-21 vs. deprivation by Local Authority District (LAD)**



2019 Local Authority District boundaries. Index of Multiple Deprivation (IMD) deciles based on 2019 average IMD score for Local Authority Districts (LADs). True closure counted when a pharmacy ceases operating, and no other pharmacy opens at that address. Excludes closures of DSPs. Number of pharmacy closures based on analysis of NHS Digital pharmacy list at <https://files.digital.nhs.uk/assets/ods/current/edispensary.zip>

Figure 1.



*True closure counted when a pharmacy ceases operating, and no other pharmacy opens at that address. Excludes DSPs. Pharmacy closures based on analysis of NHS Digital pharmacy list at <https://files.digital.nhs.uk/assets/ods/current/edispensary.zip>*

*Figure 2.*